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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/125,479	05/06/1999	ROGER LANCASTER	LAUS-24408	7840

7590 12/23/2002

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EXAMINER

RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 12/23/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/125,479

Applicant(s)

LANCASTER, ROGER

Examiner

Yehdega Retta

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on 15 October 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 14-16 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 14-16 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____. | 6) <input type="checkbox"/> Other: _____. |

DETAILED ACTION

Response to Amendment

1. This office action is in response to amendment filed October 15, 2002. Claim 14 is amended as requested.

Response to Arguments

2. Applicant's arguments filed October 15, 2002 have been fully considered but they are not persuasive.

Applicant in his argument states that the prior art does not disclose all contracts being simultaneously closed such that the contracts held by the other parties will be closed at the same price and all being done without the requiring acknowledgment by either party. Applicant states that Coote teaches an investor who fails to meet a margin call will have their contract automatically closed out by the future exchange and "will pay the balance of any monies owing". Applicant in his argument states that Coote does not address the question of what happens in an extreme fall or rise of the market wherein the commodity they own cannot be sold. However, applicant does not claim the steps performed, beside closing the contract, when the commodity could not be sold.

The prior art teaches the clearinghouse closing the contract when the investor fails to meet a margin call. Since the contract is between a market participant (seller or buyer) and the clearinghouse, when contract is closed, the contract held by the other parties (clearinghouse) is also closed at the same time and price without the acknowledgment by either party.

Claim Rejections - 35 U.S.C. § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 14-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Austrian Futures & Options Exchange (OTOB) as stated in the reference “The Austrian derivatives market”, Global Investor, London, 1994; Schiendl, Gunther, hereinafter “OTOB” in view of Coote, Future Trading: Who dares wins (sometimes), Evening Post; Wellington, New Zealand; Apr 30, 1996.

5. As per claims 14-16, OTOB as stated in the reference is a fully electronic trading system, which acts as clearing house, integrating clearing and settlement with the central marketplace system. OTOB disclose a computer based cash management fund in which investors deposit funds ... for the opening of contracts (see page 5 par. 4-8); an automated real time screen to trade contracts in a marketplace and a clearing house electronically linked to the cash depositing facility and the real time trading system (see abstract and par. 4.4, 4.5); an indivisible financial package contract between first and second party...; trading contract between the first and second

party investors: recording price changes... transferring assigned funds after trading...(see under par. 4.8). OTOB teaches a risk-based margining system making certain assumptions, calculating the costs that, in a worst-case scenario, would attach to the closing of positions.... (see page 5 and 6). OTOB teaches sufficient funds being deposited to cover a proportion of the price of the contract, however does not explicitly show that if the funds become insufficient closing investors contract at that price, it is disclosed in Coote (see page 2 par. 4-6). Coote teaches if an investor fails to meet a margin call, their contract automatically closed out by the exchange. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention was made for OTOB to implement such option, by closing investors' contract who do not meet the margin call, to avoid loss of money. OTOB, as modified, does not explicitly teach closing simultaneously all the contracts held by the other parties at the same price without requiring acknowledgment by either party. Official notice is taken that is old and well known in the art of futures for the clearinghouse to close the contract without the requiring acknowledgment by either party. Clearinghouse is responsible for trade obligations arising from the original bilateral trade. Even though a participant buys from other, they are not each other's counterparties. The buyer buys from the clearinghouse and the seller sells to the clearinghouse. Each is free to later offset his trade without in any way affecting the other's position. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention ~~to~~ for the clearinghouse to close the seller's or the buyer's contract without requiring acknowledgement by either party, since the clearinghouse, not the other party, is one of the parties to all the transactions.

Conclusion

1. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

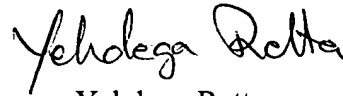
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (703) 305-0436. The examiner can normally be reached on 7:30-4:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (703) 305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 872-9326 for regular communications and (703) 872-9327 for After Final communications.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.



Yehdega Retta
Examiner
Art Unit 3622

YR
December 16, 2002